

Docket No. 98-577

PUBLIC UTILITIES COMMISSION
Investigation of Stranded Costs, Transmission
and Distribution Utility Revenue Requirements,
and Rate Design of Maine Public Service Company

ACCOUNTING ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

Pursuant to the Restructuring Act (35-A M.R.S.A. § 3204(1)) and our Order in Docket No. 98-584, Maine Public Service Company (MPS) sold its generation assets and generation-related business activities, other than its QF contract with Wheelabrator-Sherman, to WPS Power Development, Inc. (WPS). The divestiture of generation assets is important both as a means to ensure effective competition and as a means to value generation assets for purposes of measuring stranded costs.

On June 8, 1999, the closing occurred whereby title to MPS's generation assets was transferred to WPS. At the behest of its auditors, MPS requests an accounting order to defer the gain on its asset sale. We believe that our Orders in the asset sale approval case (Docket No. 98-584) are designed to permit the accounting treatment that MPS seeks, but in order to provide the assurance that MPS's outside auditors apparently require, we adopt the following accounting order.

MPS must defer the gain associated with its sale of assets to WPS. In addition, MPS may allocate a portion of the proceeds from the sale of its generation assets to WPS to cover the incremental power supply costs resulting from such sale. The incremental power supply costs will be determined by subtracting the total power supply costs of the generation assets sold to WPS from the WPS buy-back costs. The total power supply costs are the revenue requirement that would have resulted from MPS's generation of power from the sold assets but for the sale.

Dated at Augusta, Maine, this 30th day of July, 1999.

BY ORDER OF THE COMMISSION

Raymond Robichaud
Assistant Administrative Director

COMMISSIONERS VOTING FOR: Welch
Nugent
Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.